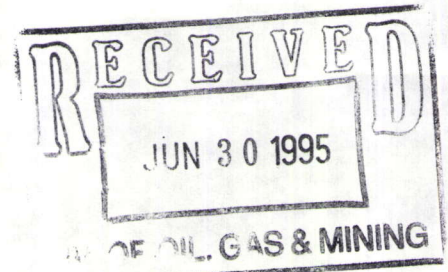


M/047/013

ROBERT E. COVINGTON
CERTIFIED PROFESSIONAL GEOLOGIST NO. 1705
P.O. BOX 1845
VERNAL, UTAH 84078

June 28, 1995



Stan Perks
Utah State Office
Bureau of Land Management
P O Box 45155
Salt Lake City, UT 84145-0155

Re: Mining Plan: Cowboy Mine
U.S. Gilsonite Mining Lease U-0122693
Sec. 33, T8S-R24E, Uintah Co., Utah

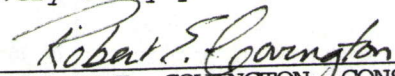
Dear Stan:

Norman Haslem has indicated to me that you have some concern regarding the development of the Second Shaft on this above referenced lease. I assume that your concern is with regard to the surface disturbance. On February 1, 1995 I wrote to you to inform you that Ziegler intends to commence work on Shaft No. 2. The reasons for the necessity of this Second Shaft were explained in that letter, a copy of which is enclosed for your review.

The problem with the rock in the vein required this Second Shaft which plans for have been covered in the Mine Plan and in the two Amendments to the plan. Ziegler's Performance Bond coverage was increased from \$89,500 to \$105,300 to insure reclamation satisfactory to your office and to the Division of Oil, Gas and Mining for the State of Utah. At this point the mine plans were then categorized as "a part of the Large Mining Operation Notice of Intention" with a State File Number of M/047/013.

Please let me know at your convenience if your office has any problem with this plan. We would like to avoid any problems and citations in this project. We appreciate your concerns and your interest in this mining operation. If there are any suggestions we will appreciate hearing from you.

Very truly yours,


ROBERT E. COVINGTON, CONSULTANT FOR
ZIEGLER CHEMICAL & MINERAL CORPORATION

CC: Gordon S. Ziegler, Jr.
Norman Haslem
D. Wyne Hedberg, Division of Oil, Gas & Mining